

The spirit and intention of the PACT Board is to partner with the universities and colleges, the legislature and PACT parents to craft solutions to meet the goal of paying tuition for PACT students. The particular approach discussed by the Board at its meeting held on December 29, 2009 involves teaming with our universities and colleges to utilize resources available through the schools. We are in discussions with our schools to help us know how they can assist in these efforts to make certain that PACT students have access to all available sources of financial assistance.

The PACT Fund holds approximately \$329 million in invested capital received from PACT purchasers. As of January 15, 2010, these assets were valued at approximately \$504 million and this gain is a result of investing in stocks and bonds over the years. If the assets had only been invested in fixed income bonds over the life of the program, PACT would in fact have fewer assets by approximately \$70 million. Additionally, PACT has paid over \$440 million in tuition since 1994. Nevertheless, the current assets will be unable to keep up with the expected growth in tuition over the life of the PACT Program. Therefore, the Board also supports efforts to secure additional legislative funding.

The Board supports all good faith efforts to fund the PACT deficit. The future of PACT will be determined in this session of the Alabama Legislature because legislation is required for funding. The final plan may be a combination of many approaches, and we welcome the opportunity to share information and participate in the process.

We believe we are all working towards the same goal – to educate our PACT beneficiaries.